

## **AGENDA ITEM NO. 3**

## **AGENDA REPORT**

OVERSIGHT BOARD FOR THE CITY OF MAYWOOD  
AS SUCCESSOR AGENCY OF THE MAYWOOD  
COMMUNITY REDEVELOPMENT AGENCY

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**DATE:** FEBRUARY 13, 2013  
**TO:** HONORABLE CHAIR AND MEMBERS OF THE OVERSIGHT BOARD  
**FROM:** ANDRE DUPRET, PROJECT MANAGER  
**SUBJECT:** RESOLUTION ADOPTING THE ADMINISTRATIVE BUDGET FOR  
THE PERIOD JULY 1, 2013 THROUGH DECEMBER 31, 2013

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### **RECOMMENDATION**

That the Oversight Board for the City of Maywood ("Oversight Board"), as Successor Agency of the Maywood Community Redevelopment Agency ("Successor Agency"), approve a resolution adopting the Administrative Budget for the period from July 1, 2013 through December 31, 2013.

### **FISCAL IMPACT**

Approval of the Administrative Budget will cover the Successor Agency's enforceable administrative expenses for the period from July 1, 2013 through December 31, 2013.

### **BACKGROUND**

On December 29, 2011, in the *CRA v. Matosantos* case, the Court upheld ABX1 26 and invalidated ABX1 27 thereby eliminating redevelopment agencies and the voluntary option to pay to continue redevelopment. All redevelopment agencies in California were dissolved effective February 1, 2012 with assets, properties, and documents transferred to the successor agencies.

Pursuant to the Dissolution Bills, the Successor Agency must submit an Administrative Budget every six months setting forth the Successor Agency's foreseeable administrative expenses. The proposed resolution sets forth the Successor Agency's Administrative Budget for the period July 1, 2013 through December 31, 2013.

## **DISCUSSION**

Health and Safety Code Section 34177 requires the Successor Agency to prepare an Administrative Budget that covers the costs of time spent by staff to comply with the Dissolution Bills. It is important to point out that the Administrative Budget that is presented here is also included in ROPS 13-14A<sup>1</sup>. However, the Administrative Budget itemizes the administrative costs whereas ROPS 13-14A identifies it as a line item. As with the ROPS, the Department of Finance (DOF) requires the Successor Agency to prepare the Administrative Budget every six months. The Administrative Budget being considered today is the fourth consecutive budget that has been brought before the Oversight Board for approval.

The proposed Administrative Budget for this period was increased to the statutory amount set forth in Section 34171(b). This is due to a number of administrative costs that staff anticipates. These costs include Oversight Board legal services and additional time spent by the Successor Agency attorney and staff responding to requests. Furthermore, the DOF held two (2) "Meet and Confers" with staff prior to making its determination on the ROPS III and the Due Diligence Review governing Housing Assets. Although uncertain at this point, the Successor Agency may need to prepare for and meet and confer with the DOF on other items that are presented for approval.

Attachments: 1. Resolution  
2. Administrative Budget

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<sup>1 1</sup> The California Department of Finance has renamed the ROPS based on the period it will cover. Whereas, the ROPS for this period was previously referred to as ROPS IV, it is now referred to as ROPS 13-14A to signify the first 6-month interval for the fiscal year 2013-14.

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE OVERSIGHT BOARD OF CITY OF MAYWOOD AS SUCCESSOR AGENCY TO THE MAYWOOD COMMUNITY REDEVELOPMENT AGENCY ADOPTING THE FOURTH ADMINISTRATIVE BUDGET FOR THE PERIOD JULY 1, 2013 THROUGH DECEMBER 31, 2013 PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177.**

**WHEREAS**, the Maywood Community Redevelopment Agency, Maywood, California (“Agency”) was formed for the purpose of revitalizing areas within the City of Maywood pursuant to Health and Safety Code Section 33000, et. seq.; and

**WHEREAS**, AB X1 26 and AB 1484 (“the Dissolution Bills”) dissolved all redevelopment agencies in the State of California; and

**WHEREAS**, the City of Maywood opted to serve as Successor Agency to the Maywood Community Redevelopment Agency (“Successor Agency”); and

**WHEREAS**, under the Dissolution Bills, the Successor Agency must submit a Recognized Obligation Payment Schedule (“ROPS”) every six months that sets forth all of the Successor Agency’s financial obligations over that period; and

**WHEREAS**, the Successor Agency is also required to submit an administrative budget that itemizes the Successor Agency’s administrative costs over the six month period; and

**WHEREAS**, the Successor Agency Board adopted the proposed administrative budget on February 11, 2013; and

**WHEREAS**, the administrative budget attached hereto covers the Successor Agency’s administrative costs for the period July 1, 2013 through December 31, 2013.

**NOW THEREFORE, THE OVERSIGHT BOARD OF THE CITY OF MAYWOOD AS SUCCESSOR AGENCY TO THE MAYWOOD COMMUNITY REDEVELOPMENT AGENCY DOES RESOLVE, DETERMINE, FIND AND ORDER AS FOLLOWS:**

**SECTION 1.** The above recitations are true and correct and, accordingly, are incorporated as a material part of this Resolution.

**SECTION 2.** The Administrative Budget for the period July 1, 2013 through December 31, 2013, and attached hereto, is hereby approved, adopted, and incorporated by reference by the Oversight Board pursuant to Health & Safety Code Section 34177.

**SECTION 3.** The Maywood Oversight Board authorizes staff to take all necessary administrative actions to comply with Health & Safety Code Section 34177.

**SECTION 4.** The Maywood Oversight Board Secretary shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

**PASSED, APPROVED AND ADOPTED ON** this 13<sup>th</sup> day of February, 2013.

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Lilian Myers, Chair  
Oversight Board of Successor Agency to the  
Maywood Community Redevelopment Agency

**ATTEST:**

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Ivonne Umana  
Oversight Board Secretary

**I HEREBY CERTIFY** the foregoing resolution was duly adopted by the Maywood Oversight Board, at a regular meeting held on the 13th day of February, 2013, by the following vote:

**AYES:**

**NAYES:**

**ABSENT:**

**ABSTAIN:**

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Ivonne Umana, Successor Agency Clerk

ATTACHMENT 1  
Resolution

ATTACHMENT 2  
Administrative Budget  
For the Period July 1, 2013 through December 31, 2013

MAYWOOD

**RDA Project Area All**

**SUCCESSOR AGENCY  
ADMINISTRATIVE BUDGET  
Fiscal Year 2013-14**

Fiscal Year 2013-14										
		Description	FTE %	Equivalent Salaries	Equivalent Benefits	Other Administrative Costs	FY 2013-14 Total	ROPS-13-14A Jul to Dec 2013	ROPS-13-14B Jan to Jun 2014	TOTAL
	Administrative Costs									
		PERSONNEL (Direct Costs)								
1)	City Manager	Administrative Direct Labor	0.100	18,000.00	2,780.00	0.00	20,780.00	10,385.00	10,385.00	\$ 20,780.00
2)	Project Manager	Administrative Direct Labor	0.385	58,250.00	0.00	0.00	58,250.00	29,825.00	29,825.00	\$ 58,250.00
3)	Finance Manager	Administrative Direct Labor	0.180	20,630.00	0.00	0.00	20,630.00	10,315.00	10,315.00	\$ 20,630.00
4)	Senior Accountant	Administrative Direct Labor	0.150	9,672.00	0.00	0.00	9,672.00	4,836.00	4,836.00	\$ 9,672.00
5)	Executive Assistant	Administrative Direct Labor	0.100	5,824.00	903.00	0.00	6,727.00	3,383.00	3,384.00	\$ 6,727.00
6)	Accounts Payable	Administrative Direct Labor	0.100	3,200.00	0.00	0.00	3,200.00	1,600.00	1,600.00	\$ 3,200.00

**ESTIMATED ADMINISTRATIVE COSTS FOR TAX ALLOCATION PERIOD JULY 1, 2013 TO JUNE 30, 2014**

**ESTIMATED ANNUAL FUNDING**

Code	Source	
RRPTTF - REDEVELOPMENT PROPERTY TAX TRUST FUND		250,000.00
OTHER - RESERVES, RENTS, INTEREST		0.00
<b>TOTAL</b>		<b>250,000.00</b>